March 19, 2001

Electronic Bid Bonds

#01-05

COUNTY ENGINEERS/SUPERINTENDENT OF HIGHWAYS MUNICIPAL ENGINEERS/DIRECTORS OF PUBLIC WORKS CONSULTING ENGINEERS

Section 102.09 of the <u>Standard Specifications for Road and Bridge</u>
<u>Construction</u> requires that each contract proposal shall be accompanied by a bid bond on the department's form, a cashier's check or a certified check.

In October 1999 the department began to accept electronic bid bonds on state-let construction contracts. Bidders write an electronic bid bond identification number on the bid bond form in lieu of completing and notarizing the traditional bid bond.

Currently, the only company approved by the department to provide electronic bid bonds is Surety 2000. Other providers may be approved by the department in the future. Surety 2000 has expressed an interest in expanding their service to locally-let projects.

In order for local agencies to allow the option of electronic bid bonds for local-let projects, we have revised the Local Agency Proposal Bid Bond form, BLR 5708 (Rev. 3/2001). If an electronic bid bond is allowed, the designated box at the bottom of the form must be checked by the local agency prior to distributing the proposals to interested contractors.

If a bid bond is being used for the proposal guaranty, form BLR 5708 must be included in the proposal submittal whether the bid bond is submitted electronically or not. The revised form is attached for your use and will soon be available on the IDOT Web site.

There is no special software or unique computer hardware required to implement electronic bid bonds. However, Internet access is required by the local agency in order to verify the electronic bid bond. To implement the use of electronic bid bonds on local-let projects, call Surety 2000 at 1-800-660-3263.

Sincerely,

Darrell W. McMurray, P.E.

Daniel McMuray

Engineer of Local Roads and Streets

Attachment